

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
LAUNIUPOKO WATER COMPANY, LLC)
For Review and Approval of Rate)
Increases and Revised Rate)
Schedules.)

DOCKET NO. 2006-0505

ORDER NO. 23279

DIV. OF CONSUMER ADVOCACY
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
STATE OF HAWAII

2007 FEB 28 A 9:09

RECEIVED

Filed Feb. 27, 2007
At 12 o'clock P.M.

Karen Higashi
Chief Clerk of the Commission

ATTEST: A True Copy
KAREN HIGASHI
Chief Clerk, Public Utilities
Commission, State of Hawaii.

Karen Higashi

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
LAUNIUPOKO WATER COMPANY, LLC)
For Review and Approval of Rate)
Increases and Revised Rate)
Schedules.)
_____)

Docket No. 2006-0505

Order No. 23279

ORDER

By this Order, the commission approves with modifications the proposed Stipulated Procedural Order submitted by LAUNIUPOKO WATER COMPANY, LLC ("LWC") and the DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS ("Consumer Advocate")¹ on February 9, 2007.

I.

Background

On December 29, 2006, LWC filed its application for commission approval of, among other things, a general rate increase of \$45,321, or approximately 37.77% over revenues at present rates, pursuant to HRS § 269-16. The requested increase is based on an estimated total revenue requirement of \$165,328 for its 2007 calendar test year.

¹The Consumer Advocate is an ex officio party to this proceeding pursuant to Hawaii Revised Statutes ("HRS") § 269-51 and Hawaii Administrative Rules § 6-61-62. LWC and the Consumer Advocate are hereafter collectively referred to as the "Parties."

II.

Stipulated Procedural Order (as Modified)

By Order No. 23221, issued on January 26, 2007, the commission required the Parties to submit a stipulated procedural order for the commission's review and approval, within thirty (30) days from the date of the order ("Order No. 23221"). With regards to the Parties' proposed procedural schedule, the commission in ordering paragraph no. 3 of Order No. 23221, instructed the Parties as follows:

The stipulated procedural schedule to be submitted by the Parties shall, at a minimum, provide that: (a) LWC's rebuttal testimony (or rebuttal statement of position), if any, be filed by Tuesday, May 15, 2007; and (b) the Parties' settlement agreement, if any, be filed by Tuesday, May 22, 2007, in order for the commission to reasonably meet the six (6)-month deadline of June 29, 2007.²

The Parties timely filed their proposed Stipulated Procedural Order on February 9, 2007, pursuant to Order No. 23221; however, they failed to adhere to the deadlines established by the commission with regards to the submittal of LWC's rebuttal testimony and the Parties' settlement agreement (if any), as quoted above. The commission notes that inconsistent with the commission's instructions, the Parties agreed on Thursday, May 24, 2007, as the submittal date of LWC's "Rebuttal Testimonies and Exhibits or Letter of Settlement" and

²See Order No. 23221 at 8 (emphasis added).

"Friday, June 7, 2007,"³ as the submittal date of their "Settlement Agreement (if any)."

As such, the commission will approve the Parties' proposed Stipulated Procedural Order to govern the proceedings in this docket, with the modifications set forth below. The commission will amend the submittal dates for LWC's "Rebuttal Testimonies and Exhibits or Letter of Settlement" and the Parties' "Settlement Agreement (if any)," to be consistent with the deadlines set forth in Order No. 23221. In addition, the commission will amend non-substantive errors in the first notation (designated with one asterisk) since the notation does not appear to correctly reflect the relevant section of HRS § 269-16(f)(3).

Based on the above, item nos. 6 and 7 and notation no. 1 (designated with one asterisk) of the Parties' Stipulated Regulatory Schedule, attached as Exhibit A to their proposed Stipulated Procedural Order, is amended as follows:

6	Thursday Tuesday , May [24] 15 , 2007	Applicant's Rebuttal Testimonies and Exhibits or Letter of Settlement
7	Friday Tuesday , [June June] May [7] 22 , 2007	Settlement Agreement (if any)***

*The above Stipulated Regulatory Schedule assumes that the Commission does not permit a person to intervene in this proceeding. In the event a person is permitted to intervene, an amended Stipulated Regulatory Schedule will be filed with the Commission by all applicable parties either individually or

³The commission notes that June 7, 2007, is a Thursday as opposed to a Friday as indicated by the Parties in their proposed Stipulated Regulatory Schedule.

collectively for Commission review and approval to assist the Commission to complete its deliberations and issue a decision and order in accordance with Hawaii Revised Statutes ("HRS") § 269-16(f)(3), which states in relevant part that "[i]f the commission permits a person to intervene, the six-month period shall not apply and the [C]ommission shall make every effort to complete its deliberations and issue its decision within the nine-month period from the date the [Applicant's] public utility's completed application was filed, pursuant to [HRS § 269] subsections (b), (c), and (d)."

III.

Orders

THE COMMISSION ORDERS:

1. The Parties' proposed Stipulated Procedural Order submitted on February 9, 2007, attached as Exhibit 1 to this Order, is approved as modified herein to govern the proceedings in this docket.

2. Item nos. 6 and 7 and notation no. 1 (designated with one asterisk) of the Parties' proposed Stipulated Regulatory Schedule (attached as Exhibit A to their proposed Stipulated Procedural Order) is amended to read as follows:

6	Tuesday, May 15, 2007	Applicant's Rebuttal Testimonies and Exhibits or Letter of Settlement
7	Tuesday, May 22, 2007	Settlement Agreement (if any)***

*The above Stipulated Regulatory Schedule assumes that the Commission does not permit a person to intervene in this proceeding. In the event a person is permitted to intervene, an amended Stipulated Regulatory Schedule will be filed with the Commission by all applicable parties either individually or collectively for Commission review and approval to assist the Commission to complete its deliberations and issue a decision and order in accordance with Hawaii Revised Statutes ("HRS") § 269-16(f)(3), which states in relevant part that "[i]f the commission permits a person to intervene, the six-month period shall not apply and the commission shall make every effort to

complete its deliberations and issue its decision within the nine-month period from the date the public utility's completed application was filed, pursuant to subsections (b), (c), and (d)."

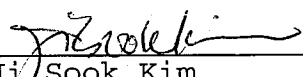
DONE at Honolulu, Hawaii FEB 27 2007.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By: 
Carlito P. Caliboso, Chairman

By: 
John E. Cole, Commissioner

APPROVED AS TO FORM:


Ji Sook Kim
Commission Counsel

2006-0505.eh

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

-----In the Matter of the Application of-----)

LAUNIUPOKO WATER COMPANY, LLC)

For Review and Approval of Rate Increases)
and Revised Rate Schedules.)
_____)

Docket No. 2006-0505

PUBLIC UTILITIES
COMMISSION

2007 FEB -9 P 1:53

FILED

STIPULATED PROCEDURAL ORDER NO. _____

SANDRA-ANN Y.H. WONG, ESQ.
1050 Bishop Street, #514
Honolulu, Hawaii 96813
Telephone: (808) 537-2598
Facsimile: (808) 537-2598

Attorneys for Applicant
LAUNIUPOKO WATER COMPANY, LLC

JON S. ITOMURA, ESQ.
LANE H. TSUCHIYAMA, ESQ.
335 Merchant Street
Room 326
Honolulu, Hawaii 96813
Telephone: (808) 586-2800
Facsimile: (808) 586-2780

Attorneys for DIVISION OF
CONSUMER ADVOCACY,
DEPARTMENT OF COMMERCE AND
CONSUMER AFFAIRS

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

-----In the Matter of the Application of-----)
LAUNIUPOKO WATER COMPANY, LLC) Docket No. 2006-0505
For Review and Approval of Rate Increases)
and Revised Rate Schedules.)
_____)

STIPULATED PROCEDURAL ORDER NO. _____

EXHIBIT A

and

CERTIFICATE OF SERVICE

Filed _____, 2007

At _____ o'clock _____.m.

Chief Clerk of the Commission

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

-----In the Matter of the Application of-----)	
)	
LAUNIUPOKO WATER COMPANY, LLC)	Docket No. 2006-0505
)	
)	
For Review and Approval of Rate Increases)	
<u>and Revised Rate Schedules.</u>)	

STIPULATION FOR PROCEDURAL ORDER

LAUNIUPOKO WATER COMPANY, LLC ("Applicant"), a Hawaii limited liability company, and the DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS (the "Consumer Advocate"), by and through their respective attorneys, do hereby stipulate to the following provisions of this Stipulated Procedural Order as mutually acceptable to each.

ACCORDINGLY, IT IS ORDERED that the following Statement of Issues, Schedule of Proceedings, and procedures shall be utilized in this docket:

I.

STATEMENT OF THE ISSUES

The issues in this case are:

1. ____ Is Applicant's proposed rate increase reasonable?
 - a. Are the proposed tariffs, rates and charges just and reasonable?
 - b. Are the revenue forecasts for Test Year ending December 31, 2007 ("Test Year") at present rates and proposed rates reasonable?
 - c. Are the projected operating expenses for the Test Year reasonable?
 - d. Is the rate of return requested fair?

II.

SCHEDULE OF PROCEEDINGS

The parties shall adhere to the schedule of proceedings set forth in the Stipulated Regulatory Schedule attached hereto as Exhibit "A." Notwithstanding the above, the parties may amend the Stipulated Regulatory Schedule as may be agreed in writing from time to time; provided that the requesting party or parties receive the commission's approval in accordance with HAR § 6-61-23, to the extent applicable. However, the intent of the parties in agreeing to a schedule at this time is to promote the efficient and cost-effective allocation of resources. Therefore, any changes to the schedule should be proposed only when there is an urgency or substantial competing need that cannot be reasonably accommodated without a change.

III.

REQUESTS FOR INFORMATION

A party to this proceeding may submit information requests to another party within the time schedule specified in this Stipulated Procedural Order. If a party is unable to provide the information requested within the prescribed time period, it should so indicate to the inquiring party as soon as possible. The parties shall then endeavor to agree upon a later date for submission of the requested information. If the parties are unable to agree, the inquiring party may seek approval from the Commission and make a showing of good cause. It is then within the Commission's discretion to allow additional information requests.

In lieu of responses to information requests that would require the reproduction of voluminous documents or materials (e.g. documents over 50 pages), the documents or materials may be made available for reasonable inspection and copying at a mutually

agreeable designated location and time. In the event such information is available on computer diskette or compact disc, the party responding to the information request may make the diskette or compact disc available to the other party and the Commission. A party shall not be required, in a response to an information request, to provide data that is/are already on file with the Commission or otherwise part of the public record, or that may be stipulated to pursuant to Part V, infra. The responding party shall, in lieu of production of a document in the public record, include in its response to the information request an identification of the document with reasonable specificity sufficient to enable the requesting party to locate and copy the document. In addition, a party shall not be required, in a response to an information request, to make computations, compute ratios, reclassify, trend, calculate, or otherwise rework data contained in its files or records.

A party may object to responding to an information request that it deems to be irrelevant, immaterial, unduly burdensome, onerous or repetitious, or where the response contains information claimed to be privileged or subject to protection (confidential information). If a party claims that information requested is confidential, and withholds production of all or a portion of such confidential information, the party shall: (1) provide information reasonably sufficient to identify the confidential information withheld from the response, without disclosing privileged or protected information; (2) state the basis for withholding the confidential information (including, but not limited to, the specific privilege applicable or protection claimed for the confidential information and the specific harm that would befall the party if the information were disclosed); and (3) state whether the party is willing to provide the confidential information pursuant to the protective order governing this docket.

A party seeking production of documents notwithstanding a party's claim of confidentiality, may file a motion to compel production with the Commission.

The responses of each party to information requests shall adhere to a uniform system of numbering agreed upon by the parties. For example, the first information request submitted by the Consumer Advocate in this docket shall be referred to and designated as "CA-IR-1," and a response to this information request shall be referred to and designated as "Response to CA-IR-1."

Each response shall be provided on a separate page and shall recite the entire question asked and set forth the response and/or reference the attached responsive document, indicating the name of the respondent for each response.

IV.

FORM OF PREPARED TESTIMONY

All prepared testimony, including text and exhibits, shall be prepared in written form on 8-1/2" x 11" paper with line numbers, and shall be served on the dates designated in the Schedule of Proceedings.

Each party shall be permitted to follow its own numbering system for written testimony and exhibits, provided that the numbering system utilized is consistent and is clearly understandable. Each document of more than one page shall be consecutively numbered. Each party shall prepare a list of its exhibits by exhibit numbers and titles.

The parties shall be permitted to make revisions to exhibits after the designated dates appearing in the Schedule of Proceedings. Revisions shall bear appropriate revision dates. However, revisions or additions that do more than correct typographical errors, update facts, or give numerical comparisons of the positions taken by the parties, shall not be submitted.

Generally, exhibits should include appropriate footnotes or narratives in the exhibits or the related testimony setting forth the sources of the information used and explaining the methods employed in making statistical compilations or estimates.

V.

MATTERS OF PUBLIC RECORD

To reduce unnecessary reproduction of documents and to facilitate these proceedings, identified matters of public record, such as reports that Applicant has filed with the Commission, published scientific or economic statistical data, material and textbooks, technical or industry journals relating to utility matters, and specified parts of the record in previous Commission dockets shall be admissible in this proceeding without the necessity of reproducing each document; provided that the document to be admitted is clearly identified by reference to the place of publication, file or docket number, and the identified document is available for inspection by the Commission and the parties; and further provided that any party has the right to explain, qualify or conduct examination with respect to the identified document. The Commission can rule on whether the identified document can be admitted into evidence when a party proffers such document for admission as evidence in this case.

~~From time to time, the parties may enter into stipulations that such documents, or~~
any portion of such documents, may be introduced into evidence in this case.

VI.

COPIES OF TESTIMONIES, EXHIBITS, INFORMATION REQUESTS, AND
RESPONSES TO INFORMATION REQUESTS

Public Utilities Commission
465 South King Street
First Floor
Honolulu, HI 96813
Original plus 8 copies

Division of Consumer Advocacy
335 Merchant Street
Room 326
Honolulu, HI 96813
Facsimile Number: 586-2780
3 copies

Sandra-Ann Y.H. Wong, Esq.
Attorney at Law, A Law Corporation
1050 Bishop Street, #514
Honolulu, HI 96813
Facsimile Number: 537-2598
1 copy

Glenn Tremble
Launiupoko Water Company, LLC
Kahului Building
33 Lono Avenue, Suite 450
Kahului, Maui, HI 96732
1 copy

Walter Matsuno
Matsuno, Fukuya, & Co., C.P.A.'s AAC
1580 Makaloa Street, Ste. 890
Honolulu, HI 96814
1 copy

All pleadings, briefs and other documents required to be filed with the Commission shall be filed at the office of the Commission in Honolulu within the time limit prescribed pursuant to Hawaii Administrative Rules ("HAR") § 6-61-15.

Copies of all filings, information requests and information request responses should be sent to the other parties by hand delivery or U.S. mail. In addition, if available, all parties shall provide copies of their filings, information requests and

information request responses to the other parties via diskette, compact disc or e-mail in a standard electronic format that is readily available by the parties. The parties agree to use Word 97, Word 2000, or Word 2003 as the standard programming format for filings in this case. However, if work papers, documentation, or exhibits attached to any filing are not readily available in an electronic format, a party shall not be required to convert such work papers, documentation, or exhibits into an electronic format. Also, existing documents produced in response to requests need not be converted to Word 97/Word 2000/Word 2003 as long as the applicable format is identified. In the event a copy of a filing, information request or information request response is delivered to a party via diskette, compact disc or e-mail, unless otherwise agreed to by such party, the same number of copies of such filing, information request or information request response must still be delivered to such party by hand delivery or via facsimile as provided above.

VII.

COMMUNICATIONS

HAR § 6-61-29 concerning ex parte communications is applicable to any communications between a party and the Commission. However, the parties may communicate with Commission counsel through their own counsel or designated official only as to matters of process and procedure.

Communications between the parties should either be through counsel or through designated representatives. All pleadings, papers, and other documents filed in this proceeding shall be served on the opposing party as provided in Article VI above.

All motions, supporting memoranda, briefs, and the like shall also be served on opposing counsel.

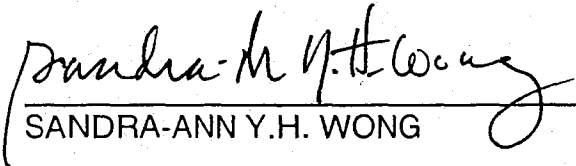
VIII.

GENERAL

The foregoing procedures shall be applied in a manner consistent with the orderly conduct of this docket.

This Stipulated Procedural Order shall control the subsequent course of these proceedings, unless modified by the parties in writing and approved by the commission, or upon the commission's own motion. This Stipulated Procedural Order may be executed by the parties in counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and same instrument. The parties may execute this Stipulated Procedural Order by facsimile or electronic mail for initial submission to the Commission to be followed by the filing of originals of said facsimile or electronic mail pages.

DATED: Honolulu, Hawai'i, February 9, 2007.


SANDRA-ANN Y.H. WONG

Attorney for Launiupoko Water Company,
LLC


JON S. ITOMURA
LANE H. TSUCHIYAMA

Attorneys for the Division of Consumer
Advocacy, Department of Commerce and
Consumer Affairs

APPROVED AND SO ORDERED THIS _____,

at Honolulu, Hawaii.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By _____
Carlito P. Caliboso, Chairman

By _____
John E. Cole, Commissioner

APPROVED AS TO FORM:

Ji Sook Kim
Commission Counsel

EXHIBIT "A"
STIPULATED REGULATORY SCHEDULE
LAUNIUPOKO WATER COMPANY, LLC ("Applicant")
Docket No. 2006-0505

	DATE	PROCEDURAL STEPS
1	Friday, December 29, 2006	Application Filed at Commission
2	Wednesday, February 28, 2007	Public Hearing
3	Tuesday, January 30, 2007- Friday, March 30, 2007	Consumer Advocate Submission of Information Requests ("IRs") to Applicant**
4	Tuesday, February 20, 2007 – Monday, April 16, 2007	Applicant's Response to Consumer Advocate's IR
5	Friday, April 20, 2007	Consumer Advocate Direct Testimony and Exhibits or Statement of Position
6	Thursday, May 24, 2007	Applicant's Rebuttal Testimonies and Exhibits or Letter of Settlement
7	Friday, June June 7, 2007	Settlement Agreement (if any)***
8	Friday, June 29, 2007	Proposed Decision and Order****

* The above Stipulated Regulatory Schedule assumes that the Commission does not permit a person to intervene in this proceeding. In the event a person is permitted to intervene, an amended Stipulated Regulatory Schedule will be filed with the Commission by all applicable parties either individually or collectively for Commission review and approval to assist the Commission to complete its deliberations and issue a decision and order in accordance with Hawaii Revised Statutes ("HRS") § 269-16(f)(3), which states in relevant part that "[i]f the commission permits a person to intervene, the six-month period shall not apply and the Commission shall make every effort to complete its deliberations and issue its decision within the nine-month period from the date the Applicant's completed application was filed, pursuant to HRS § 269 subsections (b), (c), and (d).

** The Parties have agreed to continual discovery by the Consumer Advocate to the Applicant with a three week response time.

*** The parties reserve the right to, collectively or individually, engage in settlement discussions on any and/or all disputed issues that may exist between any of the parties' respective positions in the subject docket. In the event a settlement is reached by all or any of the parties, the respective parties will notify the Commission and any other parties accordingly and request such changes to the remaining procedural steps as may be applicable or prudent under the circumstances.

**** Following the issuance of the proposed decision and order, the parties, as instructed by the Commission, will notify the Commission whether they object or do not accept all or any part of the proposed decision and order in accordance with HRS § 269-16(f)(3). If any portion of the proposed decision and order is objected to or not accepted by either Applicant or the Consumer Advocate, an extended Stipulated Regulatory Schedule (which may or may not include a contested case hearing) will then be filed with the Commission by Applicant and the Consumer Advocate either individually or together for Commission review and approval to assist the Commission to complete its deliberations and issue a decision and order in accordance with HRS §269-16(d).

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Stipulated
Procedural Order No. _____ upon the following parties, by
causing a copy hereof to be mailed, postage prepaid, and properly addressed to each
such party.

Department Of Commerce And Consumer Affairs
Division Of Consumer Advocacy
335 Merchant Street, Room 326
Honolulu, Hawaii 96813

GLENN TREMBLE
Launiupoko Water Company, LLC
Kahului Building
33 Lono Avenue, Ste. 450
Kahului, Maui, HI 96732

SANDRA-ANN Y.H. WONG, ESQ.
1050 Bishop Street, #514
Honolulu, Hawaii 96813

DATED: Honolulu, Hawai'i, _____.

Signature

Printed Name

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 23279 upon the following Petitioners, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

CATHERINE P. AWAKUNI
EXECUTIVE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
P.O. Box 541
Honolulu, HI 96809

GLENN TREMBLE
LAUNIUPOKO WATER COMPANY, LLC
Kahului Building
33 Lono Avenue, Suite 450
Kahului, Maui, HI 96732

SANDRA-ANN Y.H. WONG, ESQ.
ATTORNEY AT LAW, A LAW CORPORATION
1050 Bishop Street, #514
Honolulu, HI 96813

Counsel for LAUNIUPOKO WATER COMPANY, LLC



Karen Higashi

DATED: FEB 27 2007